

**2021 Authorization Letter of China CITIC Bank Corporation
Limited**

(Authorized person: London Branch)

January 2021

2021 Authorization Letter of China CITIC Bank Corporation Limited

London Branch,

In line with the *Management Measures of China CITIC Bank for President's Authorization*, the authorized person is hereby authorized to exercise the following operations and management authorities in accordance with this Authorization Letter. The responsible person of London Branch (hereinafter referred to as the "Branch") accepts this Authorization Letter on behalf of the authorized person.

I. Authorization Content

This Authorization Letter signifies the official authorization by the Head Office to the president of the Branch. The president of the Branch can delegate the authorities within the scope of authorization. The president of the Branch is in full charge of the operations and management of the Branch, in conformity with this Authorization Letter and local laws and regulations of UK.

i. Overview of authorization

The president of the Branch exercises the following authorities:

1. Organizing the operations of the Branch to achieve its strategic objectives;
2. Making decisions on matters not covered in this Authorization Letter at the operation level, according to the internal governance of the Branch;
3. Delegating some authorities to his/her immediate subordinates (e.g. vice president or the Chief Risk Officer);
4. Communicating with British regulatory authorities (specifically, the Prudential Regulation Authority (PRA) and the Financial Conduct Authority (FCA)) on behalf of the Head Office;
5. Employing and dismissing employees of the Branch (including members of the Management Committee). The president of the Branch must consider opinions from multiple parties concerned while determining the employment and dismissal of expatriates from the Head Office. Besides, the decision-making procedures shall be subject to the internal governance framework of the Branch. The president of the Branch has the right to reject local employees or expatriates recommended by the Head Office;
6. Approving local documents necessary for the operations of the Branch as well as relevant documents required by local government agencies (e.g. the HM Revenue & Customs (HMRC));
7. Signing legal documents related to the Branch on behalf of the Head Office;
8. Rejecting the business recommended by the Head Office that is not compliant with local regulatory requirements or strategic objectives of the Branch.

ii. Authorization categories

Authorization limits are set by business categories as below, in order to ensure the consistency between strategic objectives of the Branch and the risk appetite of the Head Office:

1. Authorization of credit approval

Credit approval limits of the Branch and the corresponding explanation and definitions are shown in the table below:

Authorization of Credit Approval

<u>Moody's</u>	<u>S&P</u>	<u>Fitch</u>	<u>Head Office rating</u>	<u>Financial institutional customer</u>	<u>Corporate customer</u>
Aaa	AAA	AAA	AAA+	USD150mn	USD100mn
Aa1	AA+	AA+	AAA	USD120mn	USD80mn
Aa2	AA	AA	AA+	USD120mn	USD80mn
Aa3	AA-	AA-	AA	USD120mn	USD80mn
A1	A+	A+	A+	USD100mn	USD60mn
A2	A	A	A	USD100mn	USD60mn
A3,	A-	A-	BBB+	USD100mn	USD60mn
Baa1	BBB+	BBB+	BBB	USD80mn	USD50mn
Baa2	BBB	BBB	BB+	USD80mn	USD50mn
Baa3	BBB-	BBB-	BB	USD80mn	USD50mn

- (1) The Branch reviews and approves credit lines to its customers within risk appetite;
- (2) The Branch does not have the authority to approve credits to its corporate customers with an internal credit rating lower than BB;
- (3) The lower or lowest credit rating of a financial institutional customer shall prevail, in case of several credit ratings. The internal credit rating by the Head Office shall be adopted, if there

is no external credit rating for a financial institutional customer;

(4) For corporate customers, the internal credit rating by the Head Office shall prevail.

2. Authorization related to finance and expenditures

(1) The president of the Branch is also authorized to shoulder responsibilities related to the routine operations of the Branch, as shown in the table below:

Item	Authority of president of London Branch (In USD)
I. Single Expenditures	
i. Petty decoration expenditures of business premises	≤ USD40,000
ii. Other single expenditures	≤ USD150,000
II. Capital Expenditure	
i. IT related capital expenditure	≤ USD150,000
ii. Purchase of other non-IT capital expenditure	≤ USD150,000
iii. Other single capital expenditures	≤ USD150,000
III. Non-operating Income and Expenditure	
i. Non-operating income and expenditure from disposal of fixed assets	Fully depreciated, and original value no more than \$100k, and maintenance cost too high.
ii. Non-operating income and expenditure not from disposal of fixed assets	
1. Non-operating income	Item by item (Surplus and inconsistency between accounts and the reality are handled in line with relevant policies and regulations)

Item	Authority of president of London Branch (In USD)
2. Deficit	Deficit and inconsistency between accounts and the reality are handled in line with relevant policies and regulations

Explanations:

1. Single expenditure refers to a group of related financial behaviors (including single financial behavior) that could not be separated for approval. Instead, they should be approved as a whole;

The accumulative payment for the rental of sites for each batch of self-service equipment distributed outside outlets of the Branch in any year during the rental period is approved as a single expenditure;

Travel expenses, employee educational funds within standards, a single business reception expense, printing fees, data fees, transportation expenses, office expenses, repair expenses, low-value consumables, business promotion fees, collateral assessment fees, postage, meeting fees (within standards), operating costs of electronic equipment, gardening expenses, taxes within the approval authority of the Branch, government administrative charges, utilities, heating fee, and mortgage registration fees of loan business below USD700 can be paid upon consent by the authorized approver and then reimbursed in accordance with financial approval procedures of the Branch;

Items not subject to the authority for single expenditures of the Branch include:

(1) Payment of remunerations. The Branch can pay the salary limit approved by the Head Office as well as employee welfare expenditures, employee educational funds, social insurances and the provident fund, supplementary insurances, and housing subsidies within the standards specified in financial policies in line with established procedures upon approval by the authorized approver.

(2) Utilities, heating fees of business premises, cash transportation fees, safety protection fees, postage, notarial fees, audit service fees of pre-settlement of decoration projects, rental fees of dedicated lines, maintenance fees of self-service equipment, debit card preparation fees, note delivery fees, collateral assessment fees, and drinking water fees. The Branch can pay these expenditures in line with established procedures upon approval by the authorized

approver, after signing a normal contract or agreement.

(3) Administrative charges by government agencies and judicial organs. The Branch can pay all taxes, collateral and pledge registration fees, credit investigation service fees, deposit insurance premiums, legal fares, and court acceptance fees to government agencies and judicial organs in accordance with relevant regulations and established procedures upon approval by the authorized approver.

2. Purchase, rental (including renewal), and decoration of business premises, excluding petty decoration expenditures (no more than USD40,000), shall be reported to the Head Office for approval.

3. For other single capital expenditures, accumulative payment of the same item shall be reported as amount declared to the authorized approver for approval.

4. The Branch may approve and dispose of single fixed assets satisfying the following three conditions at the same time and include the corresponding net profit and loss in non-operating income and expenditure: (1) Fully depreciated assets; (2) assets that cannot continue to be used as they are too old or require excessive maintenance costs; and (3) assets whose original value is less than or equal to USD100,000. The Branch can independently approve the disposal of fixed assets arising from the renovation of self-owned house properties that meet the renovation conditions stipulated by the Head Office or have been renovated upon approval by the Head Office. The disposal of other assets shall be reported item by item to the Head Office for approval according to relevant regulations and requirements.

5. Surplus, deficit, and inconsistency between accounts and the reality shall be handled in conformity with the *Policies of China CITIC Bank for Cash Register Business (Version 2.0, 2015)*.

6. Accounting that arises from administrative and financial expenditures, that is accounted under the ledger of accounts receivable and temporary payments or accounts payable and temporary receipts, and that shall be timely disposed of in line with relevant regulations, shall be approved in accordance with the *Management Measures of China CITIC Bank for Administrative and Financial City Ledger (Version 1.0, 2019)*.

7. The Head Office will reduce step by step the financial authorization for an item where the Branch violates rules.

8. Financial items not covered in this table shall be reported to the Head Office for approval in advance.

9. All financial approval authority limits and expenditure standards issued by the Head Office are tax-inclusive.

10. Currency conversion can be conducted for the operating expenditures within the above

scope of authorization, based on the actual payment needs in the current month.

(2) Delegation authorization and re-delegation authorization

1) Horizontal delegation authorization

Financial matters under delegation authorization and the relevant scope must observe the following regulations:

I. Authorities for the payment of remunerations (excluding the "payment of educational funds and welfare for employees"), and meeting, business trip, and reception expenditures beyond standards or financial matters otherwise stipulated by the Head Office shall not be delegated.

II. The personnel who can delegate authorities only includes the leader in charge of finance and the head of the Finance and Accounting Department of the Branch.

III. Delegation authorization limits: The delegation authorization limit for the leader in charge of the finance of the Branch shall be no more than 30% of the authorization limit of the president of a tier-one branch. The delegation authorization limit for the head of the Finance and Accounting Department of the Branch shall not exceed 20% of the authorization limit of the leader in charge of the finance of the Branch. The authority of payment of employee welfare can only be delegated to the leader in charge of finance of a tier-one branch.

2) Vertical delegation authorization

A tier-one branch can, in principle, only delegate authorities to tier-two branches and its directly managed out-of-region sub-branches. However, the delegation authorization limit shall not surpass 20% of its authorization limit. A tier-one branch cannot delegate authorities regarding meetings, business trips, training, and reception expenditures beyond standards or financial matters otherwise stipulated by the Head Office. Special circumstances, if any, shall be reported to the Head Office for approval. The reimbursement approval authority related to sub-branch presidents is subject to the approval procedures in the comprehensive financial management system (see the appendix for details).

3) Horizontal re-delegation authorization

A tier-two branch can horizontally delegate an authority that has been vertically delegated by a tier-one branch. The specific regulations are the same as those for horizontal delegation authorization.

3. Authorization of human resource management approval

The Branch shall create a human resource system and relevant policies, covering job responsibilities, organizational structure, recruitment policies, employee performance management and assessment, remuneration and welfare framework, and rule-violation management. All human resource-related arrangements shall conform to local laws and regulations of UK.

In terms of employee remuneration and welfare, the president of the Branch, according to the local management framework of UK, has the right to:

(1) Determine the bonus scheme for department heads and expatriates below and submit to

the Human Resources Department of the Head Office for approval before execution;

(2) Determine the remuneration and welfare/welfare standards for local employees (including salaries and bonuses).

4. Authorization on anti-money laundering

The president of the Branch is authorized to:

No.	Authority category	Authority	Remarks
1	Authorization on anti-money laundering	1.1 Manage money laundering risk of the Branch and directly report the management results to the Head Office;	
		1.2 Approve transactions of the entities included in the watch list of anti-money laundering of the Branch, cooperate with or provide services to overseas non-financial institutions providing fund (value) transfer services or payment business regarding sanctioned business and countermeasures, and apply for the establishment or maintenance of a business relationship with specific natural persons like foreign Politically Exposed Persons (PEPs) or non-natural person customers whose beneficial owners are specific natural persons;	
		1.3 Handle the Branch's violations of management strategies and procedures for anti-money laundering;	
		1.4 Approve contingency plans and treatment for major money laundering incidents of the Branch;	
		1.5 Approve the qualification of money laundering risk management personnel of the Branch;	
		1.6 Approve the protective strategies and measures for anti-money laundering information security of the Branch;	
		1.7 Approve anti-money laundering matters of the Branch involving high-risk customers, business, channels and regions, including: 1. Application for establishing or maintaining a business relationship with customers in fields with a high money laundering risk or handling business for such customers; 2. Application for establishing or maintaining a business relationship with customers whose equity	

No.	Authority category	Authority	Remarks
		structure (right of control) is complicated, whose beneficial owners are from a high-risk country (region), whose information on beneficial owners is incomplete or who cannot be verified; 3. Adopt subsequent controls for the customers, accounts (or funds), and business in the suspicious transaction report;	
		1.8 Approve other anti-money laundering matters stipulated by regulatory authorities.	

The president of the Branch can delegate authorities No. 1.2, 1.3, 1.4, 1.5, 1.6, 1.7, and 1.8 to the anti-money laundering officer and leaders in charge based on division of responsibility.

5. Financial market business and risk limit

The Branch incorporates its financial market business access and market risk limit in the financial market business line for management and distribution, in conformity with the *Management Measures of China CITIC Bank for Financial Market Business Access and Market Risk Limit*.

6. Issuance of overseas bonds

According to the overall arrangement for the issuance of overseas bonds by the Head Office, the Branch is authorized to withdraw the medium-term note (MTN) limit in the name of itself to issue overseas bonds, after the Head Office of China CITIC Bank formulates the MTN program. The approval is made on a case-by-case basis. The specific implementation shall follow the *Management Measures of China CITIC Bank Corporation Limited for Bond Financing*. With respect to matters related to the withdrawal and issuance of overseas bonds, the president of the Branch is authorized to or the president of the Branch delegates the authority to other senior managers of the Branch to sign all documents, files, instructions, and agreements and to complete the payment of all intermediary fees and interest, and redemption.

iii. Statement of the Head Office

The Head Office confirms the following content:

1. This Authorization Letter can be considered as a statement of the specific risk appetite of the Branch to be adopted internally.
2. The president of the Branch shall obey the following regulations:
 - (1) He/she shall always observe local laws and regulations of UK;
 - (2) He/she shall always conform to all regulatory requirements proposed by the China Banking Regulatory Commission (the CBRC) applicable to the Branch;
 - (3) The Head Office shall be informed and local laws and regulatory requirements of UK shall

prevail, in case of any conflicts between the above requirements.

II. Authority Restrictions

The authorized person shall abide by laws and regulations, regulatory requirements, and all rules of China CITIC Bank when exercising the authorities granted, and prudently and reasonably conduct operations and management within the scope of authorization. Furthermore, the authorized person shall not perform operations and management by overstepping his/her authorities.

III. Punishment for Overstepping Authority

The authorized person will severely violate regulations and disciplines, if he/she oversteps his/her authority or does so in disguised form. His/her authority shall be reduced or revoked in line with relevant regulations. He/she shall be held accountable in accordance with relevant laws and regulations of China and relevant rules and policies like *Provisions of China CITIC Bank on Handling Employees' Violations*.

IV. Effective Period of This Authorization Letter

This Authorization Letter shall come into force after 30 working days from the authorizer signs it and remain effective for one year. It shall be automatically renewed if there is no adjustment upon expiration. The authorizer has the right to dynamically adjust the authorization during the effective period, based on the demands of operations and management.

The original Authorization Letter and relevant notices on changes in authorization shall be abolished on the day when this Authorization Letter takes effect.

V. Requirements for Delegation Authorization

- i. The authorized person can carry out delegation authorization in written form within the scope of his/her authorities in light of demands of operations and management and relevant regulations of the Head Office.
- ii. The personnel who cover for the authorized person on leave for a business trip, study, or on vacation will temporarily exercise the authorities of the latter. The authorized person can conduct delegation authorization in accordance with the rank of management team members. A temporary Delegation Authorization Letter shall be signed and issued to confine the delegation authorization matters within a specific scope. Besides, the term of temporary delegation authorization must be strictly limited.
- iii. The authorized person shall report delegation authorization to departments of the Head Office in charge of authorization for filing.
- iv. The authorized person shall supervise and inspect the implementation of delegation authorization, dynamically adjust the content of delegation authorization, and ensure that all operations and management are legal, compliant, and robust, according to business and risk control requirements.

VI. Matters Not Covered in This Authorization Letter

For other authorization matters not covered in this Authorization Letter, the authorized person shall exercise authorities in line with the business scope that is legal or stipulated in the Business License as well as relevant rules and policies of the Head Office.

This Authorization Letter shall prevail in case of any discrepancies between the current rules and policies and relevant authorization regulations in this Authorization Letter.

Authorizer (signature or seal):

January 28, 2021

Authorized person (official seal):

Responsible person (signature or seal):

MM/DD/YYYY

Registration Form of Authorization Changes

No.	Title of the notice on authorization change	Document No.	Date of issuance	Effective date	Remarks
1					
2					
3					
4					
5					
6					
7					
8					
9					
10					
11					
12					
13					
14					
15					
16					

Notes: All branches shall register an authorization change in the Authorization Letter kept by compliance department, after such change is made.